SECRET

HEADQUARTERS
FAR EAST COMMAND
Office of the Assistant Chief of Staff J2, Intelligence
APO 500

14 May 1954

SUBJECT: Recruiting of Personnel in Taiwan for US Intelligence Activities in Korea

TO: Air Major General LAI, Ming-tang
Supreme G2
Ministry of National Defense
Republic of China

1. References:

a. FEC letter, file M-108-54 OARMA, subject as above, dated 11 April 1954.

b. MND letter, file 43-004, subject as above, dated 17 April 1954.

c. FEC letter, file M-114-54 OARMA, subject as above, dated 18 April 1954.

d. MND letter, file 43-005, subject as above, dated 22 April 1954.

2. The cooperation and assistance by Generalissimo Chiang Kai-shek and you in this effort in a common cause is greatly appreciated and has been recognized in reference "a" and in other communications on this matter. The status of all SACRU personnel in Korea, however, is and must be that of civilians. This requirement is dictated by the over-riding necessity for security.

3. It should be recognized that all agents are performing the same training, missions and duty. Therefore, all should receive the same treatment and basic allowances. On the other hand, a plan to permit additional allowances for team leaders in accord with their greater responsibilities was outlined in paragraph 23g, FEC letter dated 11 April 1954. Morale, esprit and efficiency would be impaired if payment is handled in any other manner.

4. Certain privileges and prerogatives can be worked out between the US Commander and the senior representative in the form of additional recognition for group leaders and instructors in consonance with paragraph 27 of reference "a" above. We feel such recognition together with allowances

J2 file

P&P/Col Messec/Col Hagood/ac

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provided in the basic agreement are sufficient to sustain morale and working efficiency.

5. Any differential in gratuities payable in case of death or total disability is contrary to established US policies. The same sum is paid by the US government in the event of the death of any person in military service. No distinction is made by virtue of grade or length of service.

6. It is regretted that budgetary limitations on this program preclude any increase in the planned obligations for gratuities during the period of employment of these personnel. The amount of gratuity authorized for all individuals alike in this program cannot, therefore, be increased at this time.

RIDGELY GAITHER
Major General, General Staff
Assistant Chief of Staff, J2

MEMO FOR RECORD: DF 5 May 54 fr J2 to CofS appr 13 May 54 by CinC for disp of ltr to Generalissimo Chiang Kai-shek sgd by Gen Hull, dtd 13 May 54, and ltr sgd by Gen Gaither to Air MajGen Lai, dtd 14 May 54. Date for automatic downgr cannot be deter at this time. Review for purp of reclas will be made on 14 Aug 54. Para 6b(2), SR 380-5-1, has been fully complied with. J2 log #0737, SJS #6076, flow 5 5/9. Cy furn Col Hagood, G2 SOD.

R.G.

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